



Office of the
Medicaid Inspector
General

FRANK T. WALSH, JR.

Acting Medicaid Inspector General

Audit of Supplemental Newborn and Maternity Capitation Payments without Corresponding Encounter Data

**Final Audit Report
Audit #: 20-4882**

United Healthcare Community Plan of NY, Inc.

Provider ID #: 01403176



KATHY HOCHUL
Governor

FRANK T. WALSH, JR.
Acting Medicaid Inspector General

January 26, 2023

Daniel Benardette
Chief Executive Officer
United Healthcare Community Plan of NY, Inc.
One Penn Plaza, 8th Floor
New York, New York 10119

Re: Final Audit Report
Audit #: 20-4882
Provider ID #: 01403176

Dear Daniel Benardette:

This is the Office of the Medicaid Inspector General's (OMIG) Final Audit Report for United Healthcare Community Plan of NY, Inc. (Plan).

In accordance with the Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan Model Contract and Title 18 of the Official Compilation of the Codes, Rules and Regulations of the State of New York Section 517.6, this Final Audit Report represents the final determination on the issues found during OMIG's audit.

After reviewing the Plan's October 27, 2022 response to OMIG's September 22, 2022 Draft Audit Report, OMIG has reduced the overpayments identified in the Draft Audit Report from \$274,719.58 to \$170,745.84 in this Final Audit Report. Based on this determination, the total amount of overpayment is \$194,195.79, inclusive of interest. A detailed explanation can be found in the Audit Findings section of this report.

The attachments referred to in this Final Audit Report will be sent via the Health Commerce System (HCS). Please provide a contact person with a dedicated HCS account. If you have any questions, or to obtain your copy of the attachments via HCS, please contact Bethany Miller at (518) 486-3429 or through email at bethany.miller@omig.ny.gov. Please refer to audit number 20-4882 in all correspondence.

Sincerely,

A handwritten signature in black ink that reads "Jessica Brearton".

Jessica Brearton, Audit Manager
Bureau of Managed Care Audit & Program Reviews
Division of Medicaid Audit
Office of the Medicaid Inspector General

Attachments
Certified Mail Number: 7021 0350 0001 9900 2902
Return Receipt Requested

Table of Contents

Background	1
Objective	3
Audit Scope	3
Audit Findings	4
Repayment Options	5
Hearing Rights	6
Contact Information	7
Remittance Advice	
Attachments:	
A – Plan Response	
B – Paid Appropriate	
C – Final Report Overpayments	

Background

Background

The New York State Department of Health (DOH) is the single state agency responsible for the administration of the Medicaid program. As part of its responsibility as an independent entity within DOH, the Office of the Medicaid Inspector General (OMIG) conducts audits and reviews of various providers of Medicaid reimbursable services, equipment, and supplies. These audits and reviews are directed at assessing provider compliance with applicable laws, regulations, rules, and policies of the Medicaid program as set forth in New York Public Health Law, New York Social Services Law, the regulations of DOH (Titles 10 and 18 of the New York Codes, Rules and Regulations), the regulations of the Department of Mental Hygiene (Title 14 of the New York Codes, Rules and Regulations), DOH's Medicaid Provider Manuals, *Medicaid Update* publications, and the Medicaid Managed Care/Family Health Plus/HIV Special Needs Plan Model Contract (Contract).

Contract

Section 1 Definitions. "Supplemental Maternity Capitation Payment" means the fixed amount paid to the Contractor for the prenatal and postpartum physician care and hospital or birthing center delivery costs, limited to those cases in which the Contractor has paid the hospital or birthing center for the maternity stay, and can produce evidence of such payment.

Section 3.1 Capitation Payments. c) The monthly capitation payments, and the Supplemental Newborn Capitation Payment and the Supplemental Maternity Capitation Payment, when applicable, to the Contractor shall constitute full and complete payments to the Contractor for all services that the Contractor provides, except for payments due the Contractor as set forth in Sections 3.12, 3.13, and 3.14 of this Agreement for MMC Enrollees.

Section 3.10 Supplemental Maternity Capitation Payments. a) The Contractor shall be responsible for all costs and services included in the Benefit Package associated with the maternity care of an Enrollee. b) In instances where the Enrollee is enrolled in the Contractor's MMC or FHPlus product on the date of the delivery of a child, the Contractor shall be entitled to receive a Supplemental Maternity Capitation Payment. The Supplemental Maternity Capitation Payment reimburses the Contractor for the inpatient and outpatient costs of services normally provided as part of maternity care, including antepartum care, delivery and post-partum care. The Supplemental Maternity Capitation Payment is in addition to the monthly Capitation Rate paid by the SDOH to the Contractor for the Enrollee. e) Costs of inpatient and outpatient care associated with maternity cases that end in termination or miscarriage shall be reimbursed to the Contractor through the monthly Capitation Rate for the Enrollee and the Contractor shall not receive the Supplemental Maternity Capitation Payment. f) The Contractor may not bill a Supplemental Maternity Capitation Payment until the hospital inpatient or birthing center delivery is paid by the Contractor, and the Contractor must submit encounter data evidence of the delivery, plus any other inpatient and outpatient services for the maternity care of the Enrollee to be eligible to receive a Supplemental Maternity Capitation Payment. Failure to have supporting records may, upon audit, result in recoupment of the Supplemental Maternity Capitation Payment by the SDOH.

Section 18.5 Reporting Requirements (a)(iv)(A). The Contractor shall prepare and submit encounter data on a monthly basis to SDOH through SDOH's designated Fiscal Agent. Effective January 1, 2015, the Contractor shall prepare and submit encounter data twice a month, as specified by SDOH, to SDOH through SDOH's designated Fiscal Agent. Each Contractor is required to have a unique identifier

including a valid MMIS Provider Identification Number. Submissions shall be comprised of encounter records or adjustments to previously submitted records, which the Contractor has received and processed from provider encounter or claim records of all contracted services rendered to the Enrollee in the current or any preceding months.

Section 19.6 of the Contract states the Office of the Medicaid Inspector General (OMIG) can perform audits of the Contractor's submitted encounter data after DOH has reviewed and accepted the Contractor's encounter data submission. If the audit determines the Contractor's encounter data was incorrectly submitted and the Contractor received additional or higher Medicaid Managed Care capitation rate payments and/or Supplemental Maternity Capitation Payments due to the incorrect encounter data, OMIG can recover from the Contractor the additional Medicaid funds that the Contractor received because of the encounter data misstatement. The Contractor will be entitled to the audit rights afforded to providers in Section 517.5 and Section 517.6 of Title 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York. Nothing in this section shall limit SDOH, OMIG or any other auditing entity from the development of alternative audit and/or recovery rights for time periods prior to the contract period, during the contract period, or subsequent to the contract period or limit other remedies or rights available to SDOH, OMIG or any other auditing entity relating to the timeliness, completeness and/or accuracy of the Contractor's reporting submission.

Objective and Audit Scope

Objective

The objective of this audit was to assess the Plan's adherence to applicable laws, regulations, rules and policies governing the New York State Medicaid program and to verify that:

- supplemental newborn or maternity capitation payments made to the Plan on behalf of enrollees for which no corresponding hospital birth or delivery encounter data was submitted are recovered; and
- the newborn or maternity inpatient hospital bill was paid by the MCO; and
- supplemental newborn and maternity capitation payments were submitted in accordance with applicable rules and requirements.

Audit Scope

This audit identified instances where supplemental newborn and maternity capitation payments were billed by the Plan when the Plan may not have been entitled to receive the payment. This audit included newborn and maternity supplemental capitation payments for dates of service beginning January 1, 2017 and ending July 31, 2020.

Audit Findings

OMIG issued a Draft Audit Report to the Plan on September 22, 2022 that identified \$274,719.58 in Medicaid overpayments on behalf of enrollees for which no corresponding hospital birth or delivery encounter data was submitted. The Plan's October 27, 2022 response (Attachment A) to the Draft Audit Report disputed 19 of the claims identified. After reviewing the Plan's response to the Draft Audit Report, OMIG agreed with the Plan and removed the 19 claims from the Final Audit Report findings. As a result, in this Final Audit Report, OMIG reduced the overpayments identified in the Draft Audit Report by \$103,973.74 (Attachment B), from \$274,719.58 to \$170,745.84 (Attachment C). Pursuant to 3.9(d), 3.10(f) and 19.6 of the Contract and 18 NYCRR Parts 517 and 518, the OMIG, on behalf of the Department, may recover such overpayments. Pursuant to 3.9(d), 3.10(f) and 19.6 of the Contract and Title 18 of the Official Compilation of the Codes, Rules and Regulations of the State of New York (18 NYCRR) Parts 517 and 518, OMIG, on behalf of DOH, may recover such overpayments.

In accordance with 18 NYCRR Section 518.4, interest may be collected on any overpayments identified in this audit and will accrue at the current rate from the date of the overpayment. Interest on the overpayments identified in this Final Audit Report was calculated from the date of each overpayment through the date of the Draft Audit Report, September 22, 2022 using the Federal Reserve Prime Rate. For the overpayments identified in this audit, OMIG has determined that accrued interest of \$23,449.95 (Attachment C) is now owed.

The total amount of overpayment, as defined in 18 NYCRR Section 518.1 is \$194,195.79, inclusive of interest. Subsequent to the issuance of the Draft Audit Report, the Plan voided claims in the amount of \$170,745.84. Therefore, the remaining amount due to DOH is \$23,449.95 (Attachment C).

Do not submit claim voids or claim adjustments in response to this Final Audit Report. Repayment instructions are outlined on the next page.

Repayment Options

In accordance with 18 NYCRR Part 518, which regulates the collection of overpayments, your repayment options are described below.

Option #1: Make a full payment by check, money order, or OMIG's Online Payment Portal within 20 days of the date of the Final Audit Report.

- The check should be made payable to the **New York State Department of Health**, should include the audit number on the memo line, and be mailed with the attached remittance advice to:

New York State Office of the Medicaid Inspector General
Bureau of Collections Management
800 North Pearl Street
Albany, New York 12204
Phone #: (518) 474-5878
Fax #: (518) 408-0593
Email: collections@omig.ny.gov

- If you elect to pay electronically through OMIG's Online Payment Portal, please visit <https://omig.ny.gov/online-payment-portal> or contact OMIG's Bureau of Collections Management by telephone or email, at the above number or address.

Option #2: Enter into a repayment agreement with OMIG. If your repayment terms exceed 90 days from the date of the Final Audit Report, recoveries of amounts due are subject to interest charges at the prime rate plus 2%. OMIG's acceptance of a repayment agreement is based on your repaying the Medicaid overpayment as agreed. OMIG will adjust the rate of recovery, or require payment in full, if your unpaid balance is not being repaid as agreed. If you wish to enter into a repayment agreement, please contact the Bureau of Collections Management within 20 days, by telephone or email, as provided above.

Should you fail to select a payment option above within 20 days of the date of this Report, OMIG will initiate recoupment by withholding all or a part of your payments otherwise payable, in accordance with 18 NYCRR 518.6. Additionally, OMIG reserves the right to use any remedy allowed by law to collect the amount due. Pursuant to the State Finance Law Section 18(5), a collection fee equal to twenty two percent (22%) of the amount due, including interest, may be added to the amount owed.

Hearing Rights

The Plan has the right to challenge this action and determination by requesting an administrative hearing within sixty (60) days of the date of this notice. In accordance with 18 NYCRR Section 519.18(a), "The issues and documentation considered at the hearing are limited to issues directly relating to the final determination. An appellant may not raise issues regarding the methodology used to determine any rate of payment or fee, nor raise any new matter not considered by the department upon submission of objections to a draft audit or notice of proposed agency action."

If the Plan wishes to request a hearing, the request must be submitted in writing within sixty (60) days of the date of this notice to:

General Counsel
New York State
Office of the Medicaid Inspector General
Office of Counsel
800 North Pearl Street
Albany, New York 12204

Questions regarding the request for a hearing should be directed to Office of Counsel, at (518) 408-5845.

If a hearing is held, the Plan may have a person represent it or the Plan may represent itself. If the Plan chooses to be represented by someone other than an attorney, the Plan must supply along with its hearing request a signed authorization permitting that person to represent the Plan at the hearing; the Plan may call witnesses and present documentary evidence on its behalf.

For a full listing of hearing rights please see 18 NYCRR Part 519.

Contact Information

Bethany Miller, Management Specialist I
Bethany.Miller@omig.ny.gov
(518) 486-3429

Pamela Neenan, Management Specialist II
Pamela.Neenan@omig.ny.gov
(518) 408-0665

Office Address:

New York State
Office of the Medicaid Inspector General
Division of Medicaid Audit
800 North Pearl Street
Albany, New York 12204-2719

Mission

The mission of the Office of the Medicaid Inspector General is to enhance the integrity of the New York State Medicaid program by preventing and detecting fraudulent, abusive, and wasteful practices within the Medicaid program and recovering improperly expended Medicaid funds while promoting high quality patient care.

Vision

To be the national leader in promoting and protecting the integrity of the Medicaid program.



Office of the
Medicaid Inspector
General

REMITTANCE ADVICE

United Healthcare Community Plan of NY,
Inc.
One Penn Plaza, 8th Floor
New York, New York 10119

Provider ID #: 01403176

Audit #: 20-4882

Amount Due: \$23,449.95

Audit
Type

- ☒ Managed Care
☐ Fee-for-Service
☐ Rate

Checklist

1. To ensure proper credit, please enclose this form with your check.
2. Make checks payable to: New York State Department of Health.
3. Record the audit number on your check.
4. Mail the check to:

New York State Office of the Medicaid Inspector General
Bureau of Collections Management
800 North Pearl Street
Albany, New York 12204
Phone #: (518) 474-5878
Fax #: (518) 408-0593
Email: collections@omig.ny.gov

If you elect to pay electronically through OMIG's Online Payment Portal, please visit <https://omig.ny.gov/online-payment-portal> or contact OMIG's Bureau of Collections Management by telephone or email, at the above number or address.